



Comcast Cable  
183 Inverness Drive West  
Englewood, CO 80112

**Via United Parcel Service - Next Day Air**

May 18, 2004

Ms. Marilyn Crane  
Manager, Information Technology Services  
City of Sunnyvale  
650 West Olive Avenue  
Sunnyvale, CA 94086

RE: Response to TMC Telecommunications Management Corp. Findings and Recommendations dated April 28, 2004 and the City of Sunnyvale request for response dated May 7, 2004 regarding FCC Forms 1205 and 1240 rate filings - 2004

Dear Ms. Crane:

Enclosed please find Comcast of California IX, Inc.'s ("Comcast" or the "Company") response to the report presented to the City of Sunnyvale (the "City") by Telecommunications Management Corp. ("TMC" or the "Consultant") regarding its review of FCC Forms 1205 and 1240 for 2004.

Thank you for providing the Findings and Recommendations from Michael Friedman, Vice President of TMC. Comcast has carefully reviewed the Consultant's report and appreciates this opportunity to comment and to clarify any uncertainties.

**FCC Form 1205**

TMC – "At this time, it is not possible to determine whether rates will increase, decrease or remain unchanged. If the rates are modified to the Maximum Permitted, all rates would increase with the exception of the "Basic Only" converter.

The 'permitted' rates are summarized in Figure 1. It is noted that the regulatory authority of the City is for the "permitted" rate (i.e., this is the only rate which can be found to be reasonable or unreasonable)."

Response:

The Company will reduce the “Basic Only” converter charge to \$1.25 which is \$0.05 below the 2004 FCC Form 1205 calculated Maximum Permitted Rate (“MPR”) of \$1.30 effective June 1, 2004. The Company does not intend to change the remaining categories of equipment and installation charges summarized in Figure 1 without providing appropriate notification to the City and subscribers.

**FCC Form 1240**

TMC – “Comcast has completed the calculations on the Form 1240 in a manner consistent with the FCC regulations. The following items are noted:

- The new maximum permitted rate for the Basic Service Tier is \$15.93 (excluding franchise fees and the FCC regulatory fee). The current Basic Service rate is \$15.08, so the maximum potential increase is \$0.85 or 5.6%. It is noted that last year, Comcast could have adjusted its rates in June 2003, but delayed the change until December. At that time the rate was increased to \$15.08, which was less than previous maximum permitted rate of \$15.45.”

Response:

TMC noted that the FCC Form 1240 Basic Service tier MPR \$15.93, excluding the FCC regulatory and franchise fees, is consistent with FCC regulations. Also, TMC noted the Basic Service tier rate was last adjusted in December and the actual date that subscribers were first billed the \$15.08 rate was December 15, 2003. FCC regulation requires an Operator that files the FCC Form 1240 to not adjust the Basic Service tier rate sooner than twelve months with the exception of filing a Mid-Year Channel adjustment filing. Comcast does not plan to file a mid-year channel adjustment filing therefore, the Basic Service tier charge will not be adjusted before December 15, 2004. When the new Basic Service tier Operator Selected Rate (“OSR”) has been determined, proper notification will be provided to the City and to cable television subscribers in accordance with all applicable franchise requirements and FCC regulations.

Comcast concurs that the referenced “permitted” rates summarized in Figure 1 equal the FCC Form 1205 MPRs submitted on or about March 1, 2004. The City may find the posted rates in the Figure 1 as reasonable.

**City of Sunnyvale Letter**

City – “The Forms filed by Comcast indicate that the “Operator Selected Rate” is equal to the “Maximum Permitted Rate”. In the past, Comcast (then AT&T Broadband) typically implemented rates below the “Maximum Permitted Rate”. Please provide the new rates that Comcast intends to implement so that the City can include that information in the Report to Council that we present each year regarding the rate increases. Also, the price adjustments for the basic service, installation and equipment have traditionally been effective as of July 1

even though your filing was made March 1. Please confirm when Comcast plans to implement the proposed rate increases.”

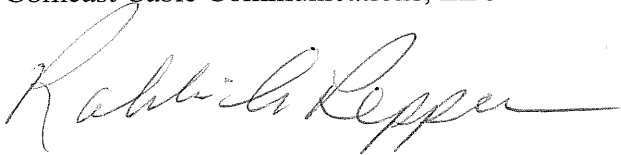
Response:

At this time, Comcast will reduce the “Basic Only” converter charge to \$1.25 effective June 1, 2004. The prices for the Basic Service tier, and other Equipment and Installations charges will not be changed at this time. When the new OSRs and the date of implementation have been determined, proper notification will be provided to the City and to cable television subscribers in accordance with all applicable franchise requirements and FCC regulations.

Comcast appreciates that the City of Sunnyvale has provided us with a copy of TMC’s final findings and recommendations prior to any formal action by the City. If you have any questions regarding our comments, please contact me at (720) 267-2238 or Eddie Garcia at (408) 918-3246.

Respectfully,

On Behalf Of  
Comcast Cable Communications, LLC

A handwritten signature in cursive script, reading "Robbin Pepper".

Robbin Pepper  
Manager, Rates  
West Division  
(720) 267-2238

cc: Michael J. Friedman, Vice President, TMC  
Eddie Garcia, Director of Government Affairs, Comcast – South Bay Area